

Department of Planning and Budget 2020 Fiscal Impact Statement

1. Bill Number: HB1228

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☒ Substitute ☐ Enrolled

2. Patron: Tran

3. Committee: Passed Both Houses

4. Title: Fair Employment Contracting Act; sexual harassment policy.

5. Summary: This bill requires contracting agencies that employ more than five employees and that enter into government contracts of over \$10,000 to include a provision in the contract requiring (i) the contractor to provide annual training on the contractor's sexual harassment policy to all supervisors and employees providing services in the Commonwealth, except such supervisors or employees that are required to complete sexual harassment training provided by the Department of Human Resource Management, and (ii) post the contractor's sexual harassment policy in (a) a conspicuous public place in each building located in the Commonwealth that the contractor owns or leases for business purposes and (b) the contractor's employee handbook.

This bill directs the Department of Human Resource Management to develop procedures for (i) determining whether an employee of a contractor with state government spends significant time working with or in close proximity to state employees and (ii) if so, requiring such contractor employee to complete any sexual harassment training also provided to state employees if the contractor employee has not received such training within the calendar year in which he begins work on the contract.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary, see item 8.

8. Fiscal Implications: The Department of Labor and Industry indicates that this bill will not impact the work of the agency, as it does not have involvement in the implementation of the bill.

The Department of Human Resource Management (DHRM) anticipates that the cost of developing the required procedures and communicating the requirements to all state agencies is expected to be minimal and can be absorbed within the agency's existing staff resources.

According to the Department of General Services (DGS), the fiscal impact of this bill is indeterminate, as contractors that do not have a sexual harassment policy and associated training may pass on associated costs to the Commonwealth. If contractors do not wish to

provide the annual training required by this legislation, the available pool of bidders/contractors may be impacted, decreasing competition.

9. Specific Agency or Political Subdivisions Affected: Department of Human Resource Management; Department of General Services; state agencies.

10. Technical Amendment Necessary: No.

11. Other Comments: None.